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## Thailand

### Rice Price - Weekly

#### Weekly Rice Price Update

**Approved By:**

John Wade Agricultural  
Counselor

**Prepared By:**

Ponnarong Prasertsri  
Agricultural Specialist

**Report Highlights:**

TH1120 Domestic and export prices for white rice and parboiled rice decline 2-3 percent due to the weakening of the Thai baht and an influx of domestic supplies of MY2010/11 off-season white rice paddy. On Tuesday September 13, 2011, the Cabinet approved 435,547 million baht (\$14.5 billion) of credit for the Paddy Pledging Program to cover all MY2011/12 main-crop paddy production.

**Post:**  
Bangkok

**Author Defined:**  
Market Tone

<b>Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Sep. 19, 2011</b>									
<b>Quality</b>	<b>Exporter Observations</b>							<b>Period Average</b>	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
<b>FWR 100 B</b>	1,100	-	1,070	-	1,070	1,075	-	1,079	1,081
<b>WR 100 B</b>	605	-	610	-	600	590	595	600	610
<b>PB 100%</b>	605	-	610	-	610	605	615	609	624
<b>PB 5%</b>	600	-	605	-	605	600	610	604	619
<b>WR 5%</b>	580	-	590	-	580	570	585	581	597
<b>WR 10%</b>	570	-	-	-	575	565	-	570	590
<b>WR 15%</b>	560	-	-	-	570	560	-	568	573
<b>WR 25%</b>	540	-	-	-	550	535	-	542	555
<b>WR 35%</b>	-	-	-	-	-	-	-	-	-
<b>A1 SUP</b>	480	-	-	-	490	490	-	487	495
<b>A1 SPEC</b>	-	-	-	-	-	-	-	-	-
<b>Exchange rate: 30.2 baht/US\$</b>									
<b>Source: Average actual prices received from exporters</b>									

Domestic and export prices for white rice and parboiled rice declined 2-3 percent due to the weakening of the Thai baht from 29.2 baht/\$ to 30.2 baht/\$ and an influx of domestic supplies of MY2010/11 off-season white rice paddy. Farmers in the central plain have aggressively harvested their off-season crop to avoid floodwaters which is expected to affect this region this week. In addition, millers in central plain continue to release portions of their paddy stocks to avoid possible damage from the flooding. Meanwhile, new enquiries for white rice and parboiled rice are quiet as foreign buyers shift to Indian rice which is approximately \$100/MT cheaper after the Indian government removed its non-basmati export ban.

On Tuesday September 13, 2011, the Cabinet approved 435,547 million baht (\$14.5 billion) of credit for the Paddy Pledging Program for MY2011/12 main-crop paddy production, starting on October 7, 2011 and running through February 29, 2012. The intervention prices were set at 13,800 - 15,000 baht/ton (\$460-500/MT) for white rice paddy, 20,000 baht/tons (\$666/MT) for fragrant rice paddy, 18,000 baht/ton (\$600/MT) for Provincial fragrant rice paddy, 16,000 baht/ton (\$533/MT) for Pathumthani fragrant rice paddy, and 16,000 – 18,000 baht/ton (\$533 – 600/MT) for glutinous rice paddy. No limit restrictions were imposed on the amount that can be pledged as the budget will cover all MY2011/12 paddy production which is officially estimated at 25.0 million tons. Farmers obtain immediate cash loans after bringing their paddy to designated mills. They can redeem their paddy within four months

for the amount of the loan plus a minimal interest charge, or forfeit the rice and keep the cash. During the first phase of the program (October 7 – mid December 2011), the Bank for Agriculture and Agricultural Cooperative (BAAC) will provide its available credit line of 90.0 billion baht (\$3.0 billion) for this program which should be able to buy only 6-7 million tons of paddy. The remainder of the program will be covered by loans from government banks.

Under the existing program, the government's weekly benchmark price for white rice for September 19-25, 2011 declined 0.8 percent. As such farmers will receive higher compensation compared to the previous week. Farmers that sell their supplies this week will be able to arbitrage as market prices are above the benchmark prices.

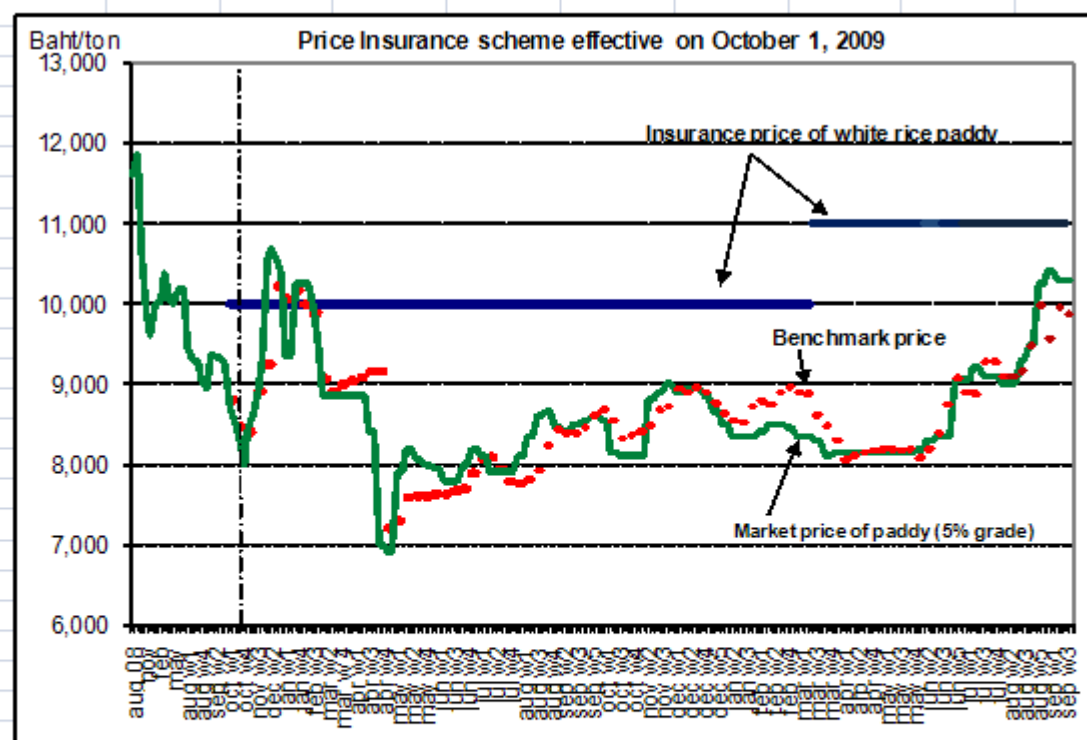
**Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop**

	Rice paddy				
	Fragrant rice (Hommati)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 <sup>d</sup>	30 <sup>d</sup>	30 <sup>d</sup>
2. Insured prices (Baht/ton) <sup>e</sup>	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) <sup>u, v</sup>					
Aug 22-28	-	-	11,009	14,794	9,465
Aug 29-Sept 4	-	-	11,547	14,918	9,983
Sept 5-11	-	-	11,537	14,633	9,564
Sept 12-18	-	-	11,883	14,530	9,966
Sept 19-25	-	-	12,126	14,703	9,887
4. Compensation (1-2), (Baht/ton)					
Aug 22-28	-	-	491	-	1,535
Aug 29-Sept 4	-	-	-	-	1,017
Sept 5-11	-	-	-	-	1,436
Sept 12-18	-	-	-	-	1,084
Sept 19-25	-	-	-	-	1,113
5. Market prices (Baht/ton)					
Aug 22-28	14,450	14,100	10,150	15,750	9,900
Aug 29-Sept 4	14,450	14,000	11,000	15,250	10,250
Sept 5-11	14,450	14,250	12,000	15,250	10,400
Sept 12-18	14,450	14,500	11,350	15,250	10,300
Sept 19-25 <sup>f</sup>	14,900	14,500	10,450	15,750	10,300

Note:

<sup>d</sup> Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 ton/household for MY2010/11 off-season crop<sup>u</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.<sup>v</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.<sup>e</sup> The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 baht/ton in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 second-crop Pathum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton.<sup>f</sup> The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.<sup>g</sup> As of Sept 19, 2011

**Figure 1: Comparison of market price, insurance price, and benchmark price**



**Note:** 1/ Benchmark prices are average historical wholesale prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

2/ Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

3/ Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

### Rice Export Update

Unofficial rice exports (excluding fragrant rice) September 12-18, 2011 totaled 176,227 tons, up 31,470 tons from the previous week, and up 19,770 tons from the four week moving average of 156,457 tons. Exports of white rice and parboiled rice during January 1 – September 18, 2011 totaled 8,610,872 tons, up 51.6 percent from 5,678,950 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – September 15, 2011 amounted to 8,610,872 tons, up 51.6 percent from 5,678,950 tons in the previous year.

<b>Table 3: Weekly rice exports (excluding fragrant rice)</b>					
<b>WEEK ENDING</b>	<b>QUANTITY</b>	<b>4-WK.AVG</b>	<b>YEAR TO DATE</b>	<b>YEAR AGO</b>	<b>YEAR TO DATE AS % OF LAST YEAR</b>
	<b>(MT)</b>	<b>(MT)</b>	<b>(TMT)</b>	<b>(TMT)</b>	<b>(%)</b>
Jul 3	185,298	215,570	5,244	2,941	78.3
Jul 10	193,263	204,909	5,438	3,044	78.6
Jul 17	165,055	194,616	5,603	3,184	76.0
Jul 24	176,480	180,024	5,779	3,305	74.9
Jul 31	166,204	175,251	5,945	3,415	74.1
Aug 7	131,189	159,732	6,076	3,501	73.6
Aug 14	123,362	149,309	6,200	3,581	73.1
Aug 21	146,492	141,812	6,346	3,660	73.4
Aug 28	156,711	139,439	6,503	3,799	71.2
Sept 4	148,132	143,675	6,651	3,911	70.1
Sept 11	144,757	149,023	6,796	4,047	67.9
Sept 18	176,227	156,457	8,611	5,679	51.6

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/REK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Source: Board of Trade of Thailand

<b>Table 4: Weekly private registered rice export sales</b>			
<b>Movement (MT)</b>	<b>Aug. 29-Sep 2</b>	<b>Sep 5-9 (Revised)</b>	<b>Sep 12-16</b>
<b>Weekly sales</b>	<b>148,715</b>	<b>190,634</b>	<b>178,732</b>
<b>4 week sum</b>	<b>788,727</b>	<b>867,052</b>	<b>773,093</b>
<b>4 week mov. avg.</b>	<b>197,182</b>	<b>216,763</b>	<b>193,273</b>
<b>Year-to-date sales</b>	<b>7,479,986</b>	<b>7,670,620</b>	<b>7,849,352</b>

End of report.